

**WOLLMUTH MAHER
& DEUTSCH LLP**

Paul R. DeFilippo (PD 9779)
Steven R. Wirth (SW 1145)
500 Fifth Avenue, 12th Floor
New York, NY 10110
Telephone: (212) 382-3300
Facsimile: (212) 382-0050
Email: pdifilippo@wmd-law.com
swirth@wmd-law.com

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., *et al.* : 08-13555 (JMP)
Debtors. : (Jointly Administered)
-----X

**OBJECTION OF IPC SYSTEMS, INC., AS SUCCESSOR TO IPC INFORMATION
SYSTEMS, INC., TO NOTICE OF ASSUMPTION AND ASSIGNMENT OF, AND
AMOUNTS NECESSARY TO CURE DEFAULTS UNDER CONTRACTS
AND LEASES TO BE ASSUMED AND ASSIGNED TO BARCLAYS CAPITAL, INC.**

TO: THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE

IPC Systems, Inc., as successor to IPC Information Systems, Inc. ("IPC"), a creditor and party-in-interest herein, by and through its counsel, Wollmuth Maher & Deutsch LLP, as and for its objection (the "Objection") to the Notice of Assumption and Assignment of, and Amounts to Necessary to Cure Defaults Under Contracts and Leases to be Assumed and Assigned to Barclays Capital, Inc. ("Barclays"), respectfully represents as follows:

STATEMENT OF FACTS

1. On September 15, 2008 (the “Filing Date”), and various dates thereafter, Lehman Brothers Holdings Inc. (“LBHI”) and certain of its affiliates (collectively, the “Debtors”) each commenced cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) by filing voluntary petitions for relief with this Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On September 17, 2008, the Debtors filed *Debtors’ Motion (A) To Schedule a Sale Hearing, (B) Establish Sale Procedures, (C) Establish a Break-up Fee, and (D) Approve the Sale of the Purchased Assets and the Assumption and Assignment of the Contracts Related to the Purchased Assets* (the “Sale Motion”). On September 19, 2008, a SIPC liquidation proceeding was commenced against Lehman Brothers Inc. (“LBI”), which case was referred to this Court.

3. On September 20, 2008, the Court entered *an Order Under 11 U.S.C. §§ 105(a), 363, and 365 and Federal Rules of Bankruptcy Procedure 2002, 6004 and 6006 Authorizing and Approving (A) The Sale of Purchased Assets Free and Clear of Liens and Other Interests and (B) Assumption and Assignment of Executory Contracts and Unexpired Leases* (the “Sale Order”) approving the Sale Motion, which contemplates the sale of certain assets of the Debtors and LBI to Barclays.

4. The Sale Order provides that counterparties to Closing Date Contracts (as defined in the Sale Order) shall have until the Cure Amount Objection Deadline (October 3, 2008) to file an objection to the Cure Amounts (including as to the specific identity of such

contracts). *See* Sale Order, ¶¶ T; 12. Exhibit A to the Sale Order indicates that the amount owed to IPC to cure the Debtors' defaults under their executory contracts and purchase orders with IPC (collectively, the "IPC Contracts") is \$0.00.

5. LBHI and LBI are parties to certain IPC Contracts set forth on Exhibit A annexed hereto. The contracts set forth on Exhibit A are Closing Date Contracts. As of September 18, 2008, LBHI and LBI were truly indebted to IPC in an amount not less than \$1,782,205.33 on account of unpaid and billed invoices due pursuant to the IPC Contracts. A copy of a schedule of the cure amounts due and billed under the IPC Contracts as of September 18, 2008 is annexed hereto as Exhibit B (the "IPC Payment Schedule").¹

6. In addition, IPC currently has a trading system installation project with LBI under a purchase agreement ongoing at LBI's service center at 70 Hudson Street, Jersey City, New Jersey, which is scheduled to be completed in or about the first quarter of 2009 (the "Pending Project"). The total cost of the Pending Project (Lehman PO#LBUSA-0000068278; IPC quote#100137718) aggregates \$2,387,675.13 inclusive of sales tax and is payable in three installments. IPC has billed the Debtors for the first installment payment of \$716,302.61 (30% of the total cost per invoice #J317069). The second installment payment of \$716,302.61 is currently due and owing but has not yet been billed to the Debtors. Therefore, the second installment payment is not included on the IPC Payment Schedule annexed hereto as Exhibit A. The third and final installment payment of \$955,070.05 (40% of the total cost of the Pending Project) is scheduled to be billed to the Debtors in or about October 2008. This third installment payment is also not included on the IPC Payment Schedule.

¹ All amounts included on the IPC Payment Schedule include applicable sales tax.

OBJECTION TO CURE AMOUNT

7. In order for the Debtors to assume and assign the IPC Contracts to Barclays pursuant to the Sale Order, Barclays must pay the Cure Amount (as defined below) which is presently due and owing, plus all attorneys' fees expended by IPC in enforcing its right to payment of the Debtors' obligations under the IPC Contracts. Pursuant to the IPC Contracts, IPC is owed a cure sum in an amount not less than \$2,498,507.94 (the "Cure Amount"), calculated as follows:

\$1,782,205.33	aggregate accrued and unpaid obligations billed pursuant to the IPC Contracts
\$716,302.61	aggregate unbilled obligations currently due pursuant to the Pending Project
<u>\$2,498,507.94</u>	<u>Total</u>

WHEREFORE, IPC respectfully requests that this Court (i) require Barclays to pay IPC the Cure Amount in order for the Debtors to assume and assign the IPC Contracts to Barclays and (ii) grant IPC such other and further relief as the Court deems just and proper.

Dated: New York, New York
October 2, 2008

WOLLMUTH MAHER & DEUTSCH LLP

/s/ Paul R. DeFilippo
Paul R. DeFilippo (PD 9779)
Steven R. Wirth (SW 1145)
500 Fifth Avenue, 12th Floor
New York, New York 10110
Telephone: (212) 382-3300
Facsimile: (212) 382-0050
Email: pdifilippo@wmd-law.com
swirth@wmd-law.com